

G - Finance and Administration Cabinet

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	8,481,900	8,481,900	8,481,900	18,017,700	18,017,700	18,017,700	18,022,400	18,022,400	18,022,400
General Fund	419,006,300	419,006,300	419,006,300	480,721,900	480,971,900	480,731,900	479,804,600	487,156,600	483,436,600
Restricted Funds	130,673,900	130,673,900	130,673,900	134,372,100	134,572,900	138,672,100	136,479,700	136,693,100	140,779,700
Federal Funds	3,037,000	3,037,000	3,037,000	1,863,100	1,863,100	1,863,100	1,775,000	1,775,000	1,775,000
Road Fund	4,331,000	4,331,000	4,331,000	2,068,000	2,068,000	2,400,000	2,068,000	2,068,000	2,400,000
Regular Total Funds	565,530,100	565,530,100	565,530,100	637,042,800	637,493,600	641,684,800	638,149,700	645,715,100	646,413,700
Use of Continuing	2,019,100	2,019,100	2,019,100						
TOTAL FUNDS	567,549,200	567,549,200	567,549,200	637,042,800	637,493,600	641,684,800	638,149,700	645,715,100	646,413,700

II. EXPENDITURE CATEGORY

Personnel Costs	149,802,800	149,802,800	149,802,800	160,333,100	160,783,900	160,583,100	164,235,500	165,048,900	164,615,500
Operating Expenses	104,397,400	104,397,400	104,397,400	109,342,700	109,342,700	109,342,700	110,891,700	110,891,700	110,891,700
Grants, Loans, Benefits	7,345,000	7,345,000	7,345,000	8,745,000	8,745,000	9,645,000	8,745,000	8,745,000	9,645,000
Debt Service	289,084,800	289,084,800	289,084,800	342,499,300	342,499,300	345,991,300	338,262,700	345,014,700	345,246,700
Capital Outlay	11,819,200	11,819,200	11,819,200	10,256,400	10,256,400	10,256,400	10,116,000	10,116,000	10,116,000
Construction	5,100,000	5,100,000	5,100,000	5,866,300	5,866,300	5,866,300	5,898,800	5,898,800	5,898,800
TOTAL EXPENDITURES	567,549,200	567,549,200	567,549,200	637,042,800	637,493,600	641,684,800	638,149,700	645,715,100	646,413,700

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	8,481,900	8,481,900	8,481,900	18,017,700	18,017,700	18,017,700	18,022,400	18,022,400	18,022,400
General Fund	419,006,300	419,006,300	419,006,300	468,730,400	468,730,400	466,398,400	461,376,000	461,376,000	459,044,000
Restricted Funds	130,673,900	130,673,900	130,673,900	127,779,900	127,779,900	129,779,900	127,755,700	127,755,700	129,755,700
Federal Funds	3,037,000	3,037,000	3,037,000	1,363,100	1,363,100	1,363,100	1,275,000	1,275,000	1,275,000
Road Fund	4,331,000	4,331,000	4,331,000	2,051,000	2,051,000	2,283,000	2,051,000	2,051,000	2,283,000
Regular Total Funds	565,530,100	565,530,100	565,530,100	617,942,100	617,942,100	617,842,100	610,480,100	610,480,100	610,380,100
Use of Continuing	2,019,100	2,019,100	2,019,100						
TOTAL BASE LEVEL	567,549,200	567,549,200	567,549,200	617,942,100	617,942,100	617,842,100	610,480,100	610,480,100	610,380,100

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				11,991,500	12,241,500	14,333,500	18,428,600	25,780,600	24,392,600
Restricted Funds				6,592,200	6,793,000	8,892,200	8,724,000	8,937,400	11,024,000
Federal Funds				500,000	500,000	500,000	500,000	500,000	500,000
Road Fund				17,000	17,000	117,000	17,000	17,000	117,000
TOTAL ADDITIONAL				19,100,700	19,551,500	23,842,700	27,669,600	35,235,000	36,033,600

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

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Capital Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund									
Restricted Funds				4,200,001	4,200,001	4,200,001	3,800,000	3,800,000	3,800,000
Federal Funds				17,416,000	17,416,000	17,416,000			
Road Fund				1,250,000	1,250,000	1,250,000			
Bond Funds				66,192,000	136,250,000	141,192,000			
Capital Construction Surplus				903,000	903,000	903,000	904,000	904,000	904,000
Investment Income				90,000	90,000	90,000			
Other Funds				20,750,000	20,750,000	20,750,000	3,000,000	3,000,000	3,000,000
TOTAL CAPITAL				110,801,001	180,859,001	185,801,001	7,704,000	7,704,000	7,704,000

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

General Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	12,060,100	12,060,100	12,060,100	13,781,500	13,781,500	10,281,500	13,942,600	14,162,600	10,442,600
Restricted Funds	30,140,100	30,140,100	30,140,100	30,591,600	30,591,600	34,891,600	30,456,000	30,456,000	34,756,000
Road Fund	283,000	283,000	283,000	300,000	300,000	400,000	300,000	300,000	400,000
Regular Total Funds	42,483,200	42,483,200	42,483,200	44,673,100	44,673,100	45,573,100	44,698,600	44,918,600	45,598,600
Use of Continuing									
TOTAL FUNDS	42,483,200	42,483,200	42,483,200	44,673,100	44,673,100	45,573,100	44,698,600	44,918,600	45,598,600
II. EXPENDITURE CATEGORY									
Personnel Costs	11,862,900	11,862,900	11,862,900	12,906,400	12,906,400	12,906,400	13,107,700	13,327,700	13,107,700
Operating Expenses	20,015,800	20,015,800	20,015,800	20,109,000	20,109,000	20,109,000	19,985,500	19,985,500	19,985,500
Grants, Loans, Benefits	2,500,000	2,500,000	2,500,000	3,400,000	3,400,000	4,300,000	3,400,000	3,400,000	4,300,000
Capital Outlay	8,104,500	8,104,500	8,104,500	8,257,700	8,257,700	8,257,700	8,205,400	8,205,400	8,205,400
TOTAL EXPENDITURES	42,483,200	42,483,200	42,483,200	44,673,100	44,673,100	45,573,100	44,698,600	44,918,600	45,598,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	12,060,100	12,060,100	12,060,100	11,716,100	11,716,100	9,616,100	11,844,900	11,844,900	9,744,900
Restricted Funds	30,140,100	30,140,100	30,140,100	30,140,100	30,140,100	32,140,100	30,140,100	30,140,100	32,140,100
Road Fund	283,000	283,000	283,000	283,000	283,000	283,000	283,000	283,000	283,000
Regular Total Funds	42,483,200	42,483,200	42,483,200	42,139,200	42,139,200	42,039,200	42,268,000	42,268,000	42,168,000
Use of Continuing									
TOTAL BASE LEVEL	42,483,200	42,483,200	42,483,200	42,139,200	42,139,200	42,039,200	42,268,000	42,268,000	42,168,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,065,400	2,065,400	665,400	2,097,700	2,317,700	697,700
Restricted Funds				451,500	451,500	2,751,500	315,900	315,900	2,615,900
Road Fund				17,000	17,000	117,000	17,000	17,000	117,000
TOTAL ADDITIONAL				2,533,900	2,533,900	3,533,900	2,430,600	2,650,600	3,430,600
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN General Administration									
ABR750A0001 Provide funding for 3 vacant positions.									
Restricted Funds				127,200	127,200	127,200	133,500	133,500	133,500
Project Total				127,200	127,200	127,200	133,500	133,500	133,500

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Operating Budget

General Administration

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	NEW	General Administration- Document Imaging System								
ABR750A0004		Provide funds to convert Occup. & Prof. records to electronic format.								
Restricted Funds					200,000	200,000	200,000	50,000	50,000	50,000
Project Total					200,000	200,000	200,000	50,000	50,000	50,000
3	NEW	General Administration- Gubernatorial Transition Funding KRS 11.260								
ABR750A0002		Provide funds for the Gubernatorial Transition.								
General Fund									220,000	
Project Total									220,000	
4	CONT	General Administration- Postal Services								
ABR750A0009		Provide additional Road Fund to support the Division of Postal Services.								
Road Fund					17,000	17,000	117,000	17,000	17,000	117,000
Project Total					17,000	17,000	117,000	17,000	17,000	117,000
5	CONT	Affordable Housing Trust Fund								
ABR750A0011		Provide additional General Fund support for the affordable housing trust fund.								
General Fund					1,400,000	1,400,000		1,400,000	1,400,000	
Restricted Funds							2,300,000			2,300,000
Project Total					1,400,000	1,400,000	2,300,000	1,400,000	1,400,000	2,300,000
6	NEW	Enhanced Revenue Collection Effort								
ABR750A0012		Provide additional General Fund support for 3 additional staff in Legal Services and additional operating funds.								
General Fund					665,400	665,400	665,400	697,700	697,700	697,700
Project Total					665,400	665,400	665,400	697,700	697,700	697,700
7	GB	General Administration- Fleet Management Operations - Personnel								
ABRC35K0002		Provide funds to support personnel expenditures related to the Fleet Management Operations program, including 3 personnel positions.								
Restricted Funds					124,300	124,300	124,300	132,400	132,400	132,400
Project Total					124,300	124,300	124,300	132,400	132,400	132,400
TOTAL ADDITIONAL					2,533,900	2,533,900	3,533,900	2,430,600	2,650,600	3,430,600

TRANSFERS TO THE GENERAL FUND

General Administration

Agency Revenue Fund	58,800	58,800	58,800	3,779,800	3,779,800	3,779,800	3,784,800	3,784,800	3,784,800
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Operating Budget

General Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL	58,800	58,800	58,800	3,779,800	3,779,800	3,779,800	3,784,800	3,784,800	3,784,800

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General Administration

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the General Administration, Restricted Funds of \$58,800 in fiscal year 2005-2006.

Included in the State/Executive Branch Budget Bill is a reorganization, based on Executive Order 2005-1254, effective October 16, 2005, that moved the Division of Fleet Management from the Transportation Cabinet to the Finance and Administration Cabinet, Office of General Administration.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides Restricted Funds in the amount of \$127,200 in fiscal year 2006-2007 and \$133,500 in fiscal year 2007-2008 to fill three (3) positions in the Office; Restricted Funds in the amount of \$124,300 in fiscal year 2006-2007 and \$132,400 in fiscal year 2007-2008 to fill three (3) vacancies in the Division of Fleet Management; Restricted Funds in the amount of \$200,000 in fiscal year 2006-2007 and \$50,000 in fiscal year 2007-2008 for a document imaging system; and Restricted Funds in the amount of \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008 for the replacement of vehicles in the state motor pool. General Fund appropriation of \$220,000 in fiscal year 2007-2008 was provided for Gubernatorial Transition and an additional Road Fund appropriation of \$17,000 in each fiscal year for the Division of Postal Services

Included in the Baseline Budget of the State/Executive Branch Budget Bill, Part I, Operating Budget is General Fund appropriation of \$2.0 million each fiscal year for the Affordable Housing Trust Fund.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide Restricted Funds totaling \$220,000 in fiscal year 2007-2008 for the Gubernatorial Transition.

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General Administration

The House does not provide Restricted Funds totaling \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008 for Fleet Management replacement vehicles.

The House provides additional General Fund support of \$1,400,000 in each fiscal year for the Affordable Housing Trust Fund.

The House provides additional General Fund support of \$665,400 in fiscal year 2006-2007 and \$697,700 in fiscal year 2007-2008 for the Enhanced Revenue Collection Effort.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Gubernatorial Transition: Notwithstanding KRS 11.260, no funding is provided for the Gubernatorial Transition."

"Affordable Housing Trust Fund: Included in the above General Fund appropriation is \$3,400,000 in fiscal year 2006-2007 and \$3,400,000 in fiscal year 2007-2008 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008."

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to include \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008 from the Fleet Management Agency Restricted Funds.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, and deletes the Louisville Arena project in this appropriation unit.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate adds in Part I, Operating Budget, General Fund support totaling \$220,000 in fiscal year 2007-2008 for the Gubernatorial Transition.

The Senate modifies Part I, Operating Budget, language provision as follows:

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General Administration

"Affordable Housing Trust Fund: Included in the above General Fund appropriation is \$3,400,000 in fiscal year 2006-2007 and \$3,400,000 in fiscal year 2007-2008 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008."

The Senate deletes a Part I, Operating Budget, language provision relating to "Gubernatorial Transition".

The Senate adds a Part I, Operating Budget, language provision as follows:

"Trooper Island, Inc.: The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to Trooper Island, Inc., \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008."

The Senate adds in Part II, Capital Budget, Bond Funds totaling \$75,000,000 for the Louisville Arena project.

The Senate adds a Part II, Capital Budget, language provision as follows:

"(a) The \$75,000,000 of state-supported Bond Funds shall pay a portion of the cost to construct the Louisville Arena, a public project intended for multiple uses as a public, recreational, cultural, and sports facility.

(b) Any additional debt issued by any other entity other than the Commonwealth shall not constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth. Nor shall any debt issued by any other entity other than the Commonwealth be deemed, directly or indirectly, to be a moral obligation of the Commonwealth. In no case shall the Commonwealth pay for any construction cost overruns or operating costs associated with the Louisville Arena."

CONFERENCE REPORT

The Conference concurs with the House with the following changes:

The Conference provides in Part I, Operating Budget, additional Road Fund support of \$100,000 each fiscal year and reduces General Fund support by \$100,000 each fiscal.

The Conference reduces in Part I, Operating Budget, General Fund support by \$3,400,000 in each fiscal year, and increases Restricted Funds by \$4,300,000 in each fiscal year for the Affordable Housing Trust Fund.

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General Administration

The Conference amends Part I, Operating Budget, language provision as follows:

"Gubernatorial Transition: Funds that are necessary to meet the Commonwealth's obligations for gubernatorial transition, up to but not to exceed \$220,000 in fiscal year 2007-2008, shall be deemed a necessary government expense, and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

"Affordable Housing Trust Fund: Included in the above Restricted Funds appropriation is \$4,300,000 in fiscal year 2006-2007 and \$4,300,000 in fiscal year 2007-2008 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008."

The Conference provides the Part II, Capital Budget, project for the Louisville Arena by providing \$75,000,000 Bond Funds and adds the following language provision:

"(a) The \$75,000,000 of state-supported Bond Funds shall pay a portion of the cost to construct the Louisville Arena, a public project intended for multiple uses as a public, recreational, cultural, and sports facility. Bond funds authorized under this paragraph shall be conditioned upon the Louisville Arena Authority, Inc. conducting all business in accordance with the applicable provisions of KRS Chapter 45A, and with the provisions of the Kentucky Open Records Act (KRS 61.870 to 61.884) and the Kentucky Open Meetings Act (KRS 61.800 to 61.850). The provisions of KRS Chapter 11A shall apply to the Authority's directors, officers, and management and policymaking employees. All decisions regarding the issuance of bonds and whether bonds should be competitively bid or negotiated shall be made by the Authority in an open meeting.

(b) Bond Funds authorized under paragraph (a) shall be conditioned upon the execution of contracts or memorandum of understanding by the Louisville Arena Authority, Inc. and applicable parties to ensure the following:

1. Kentucky State Fair Board - Except as provided in subparagraph 2. below, the Kentucky State Fair Board shall be the sole, independent managing agent for the Louisville Arena and shall have complete authority over day-to-day operations, including but not limited to event attractions, scheduling, and coordination between the Arena and other facilities operated by the Fair Board, in accordance with general guidelines established or mutually modified by the Fair Board and the Authority. Any net-negative financial impact to the Kentucky State Fair Board operations resulting from the movement of existing events from current facilities to the new arena shall be reimbursed to the Kentucky State fair Board during the life of the state bonds authorized herein; and

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General Administration

2. University of Louisville - The Authority shall agree to acceptable arrangements with the University for scheduling priorities for men's and women's basketball games and practices, sharing of catering and concession revenue, allocation and pricing of parking spaces, marketing and allocation of revenues from suites and premium seats, arena advertising, signage, banners and branding, ticket prices and surcharges, arena development team membership, other events and uses of the arena, rental rates, merchandise revenue sharing and such other matters as the Authority and the University deem appropriate. The contract or memorandum of understanding referred to in this subparagraph shall include any term or condition recommended by the Louisville Arena Task Force and may address any other term or condition mutually agreed upon by the University and the Authority.

(c) If the Arena is constructed at the location commonly known as the "LG&E site," it is not anticipated that a significant portion of the arena project costs will be borne by Louisville Gas & Electric. However, for purposes of transparency, if the Arena is constructed at the LG&E site, any portion of the costs associated with the purchase, relocation, demolition, or construction of buildings, structures, and equipment assumed by Louisville Gas & Electric shall be clearly delineated in the contractual agreement between Louisville Gas & Electric and the Arena Authority, its successor, or any other entity organized for the purpose of developing, financing, and constructing the Arena.

(d) If construction of the Arena is dependent upon construction of a floodwall or other flood control structures, the costs associated with such construction shall not be borne by Metropolitan Sewer District ratepayers.

(e) The conditions and contingencies imposed by paragraphs (a) through (d) above shall not be construed in any manner which may negatively impact the Louisville Arena Authority, Inc.'s ability to seek and receive tax-exempt status pursuant to 26 U.S.C. Section 501(c) and Treas. Reg. Section 1.501(c)(3)-1(d)(2).

(f) Any additional debt issued by any other entity other than the Commonwealth shall not constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth. Nor shall any debt issued by any other entity other than the Commonwealth be deemed, directly or indirectly, to be a moral obligation of the Commonwealth. In no case shall the Commonwealth pay for any construction cost overruns or operating costs associated with the Louisville Arena."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

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Capital Budget

General Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds					75,000,000	75,000,000			
TOTAL CAPITAL					75,000,000	75,000,000			
II. CAPITAL PROJECTS									
1	Louisville Arena								
PRJ750A1511									
Bond Funds					75,000,000	75,000,000			
Project Total					75,000,000	75,000,000			
TOTAL CAPITAL					75,000,000	75,000,000			

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Operating Budget

Controller

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300
Restricted Funds	2,186,300	2,186,300	2,186,300	2,052,700	2,052,700	2,052,700	2,052,900	2,052,900	2,052,900
Federal Funds	500,000	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Regular Total Funds	13,640,600	13,640,600	13,640,600	14,007,000	14,007,000	14,007,000	14,007,200	14,007,200	14,007,200
Use of Continuing									
TOTAL FUNDS	13,640,600	13,640,600	13,640,600	14,007,000	14,007,000	14,007,000	14,007,200	14,007,200	14,007,200
II. EXPENDITURE CATEGORY									
Personnel Costs	7,140,500	7,140,500	7,140,500	7,009,900	7,009,900	7,009,900	7,010,100	7,010,100	7,010,100
Operating Expenses	5,998,600	5,998,600	5,998,600	5,995,600	5,995,600	5,995,600	5,995,600	5,995,600	5,995,600
Grants, Loans, Benefits	500,000	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
TOTAL EXPENDITURES	13,640,600	13,640,600	13,640,600	14,007,000	14,007,000	14,007,000	14,007,200	14,007,200	14,007,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300	10,954,300
Restricted Funds	2,186,300	2,186,300	2,186,300	2,052,700	2,052,700	2,052,700	2,052,900	2,052,900	2,052,900
Federal Funds	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Regular Total Funds	13,640,600	13,640,600	13,640,600	13,507,000	13,507,000	13,507,000	13,507,200	13,507,200	13,507,200
Use of Continuing									
TOTAL BASE LEVEL	13,640,600	13,640,600	13,640,600	13,507,000	13,507,000	13,507,000	13,507,200	13,507,200	13,507,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				500,000	500,000	500,000	500,000	500,000	500,000
TOTAL ADDITIONAL				500,000	500,000	500,000	500,000	500,000	500,000
V. ADDITIONAL BUDGET ITEMS									
1 CONT	Controller- Rural Empowerment Zone Grant								
ABR7580003	Provide Federal Funds to support the Rural Empowerment Zone Grant for the Kentucky Highlands in southeast Kentucky.								
Federal Funds				500,000	500,000	500,000	500,000	500,000	500,000
Project Total				500,000	500,000	500,000	500,000	500,000	500,000
TOTAL ADDITIONAL				500,000	500,000	500,000	500,000	500,000	500,000

TRANSFERS TO THE GENERAL FUND

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Controller

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TRANSFERS TO THE GENERAL FUND									
Controller									
Agency Revenue Fund	1,200,000	1,200,000	1,200,000	204,300	204,300	204,300	215,800	215,800	215,800
TOTAL	1,200,000	1,200,000	1,200,000	204,300	204,300	204,300	215,800	215,800	215,800

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Office of the Controller

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Office of Financial Management, Restricted Funds of \$1,200,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Social Security Contingent Liability Fund: Any expenditures that may be required by KRS 61.470 are hereby deemed necessary government expenses and shall be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget includes Restricted Funds of \$204,300 in fiscal year 2006-2007 and \$215,800 in fiscal year 2007-2008 to fill three (3) vacancies in the Office. It also includes Federal Funds of \$500,000 in each fiscal year for the Rural Empowerment Zone grant.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide Restricted Funds totaling \$204,300 in fiscal year 2006-2007 and \$215,800 in fiscal year 2007-2008 to fill three (3) vacant positions.

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfers, to include \$204,300 in fiscal year 2006-2007 and \$215,800 in fiscal year 2007-2008 from Agency Restricted Funds.

Fiscal Biennium 2006-2008
Budget Modification Report

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Office of the Controller

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Debt Service

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	8,318,800	8,318,800	8,318,800	17,842,700	17,842,700	17,842,700	17,847,400	17,847,400	17,847,400
General Fund	276,240,400	276,240,400	276,240,400	324,655,100	324,655,100	328,147,100	320,413,800	327,165,800	327,397,800
Road Fund	2,505,000	2,505,000	2,505,000						
Regular Total Funds	287,064,200	287,064,200	287,064,200	342,497,800	342,497,800	345,989,800	338,261,200	345,013,200	345,245,200
Use of Continuing	2,019,100	2,019,100	2,019,100						
TOTAL FUNDS	289,083,300	289,083,300	289,083,300	342,497,800	342,497,800	345,989,800	338,261,200	345,013,200	345,245,200
II. EXPENDITURE CATEGORY									
Debt Service	289,083,300	289,083,300	289,083,300	342,497,800	342,497,800	345,989,800	338,261,200	345,013,200	345,245,200
TOTAL EXPENDITURES	289,083,300	289,083,300	289,083,300	342,497,800	342,497,800	345,989,800	338,261,200	345,013,200	345,245,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	8,318,800	8,318,800	8,318,800	17,842,700	17,842,700	17,842,700	17,847,400	17,847,400	17,847,400
General Fund	276,240,400	276,240,400	276,240,400	324,655,100	324,655,100	324,655,100	316,260,800	316,260,800	316,260,800
Road Fund	2,505,000	2,505,000	2,505,000						
Regular Total Funds	287,064,200	287,064,200	287,064,200	342,497,800	342,497,800	342,497,800	334,108,200	334,108,200	334,108,200
Use of Continuing	2,019,100	2,019,100	2,019,100						
TOTAL BASE LEVEL	289,083,300	289,083,300	289,083,300	342,497,800	342,497,800	342,497,800	334,108,200	334,108,200	334,108,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund						3,492,000	4,153,000	10,905,000	11,137,000
TOTAL ADDITIONAL						3,492,000	4,153,000	10,905,000	11,137,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW Debt Service									
ABR750B0001	Provide debt service on all new Bond Funded projects in the Finance Cabinet budget. Total Bonds of \$141,192,000.								
General Fund						3,492,000	4,153,000	10,905,000	11,137,000
Project Total						3,492,000	4,153,000	10,905,000	11,137,000
TOTAL ADDITIONAL						3,492,000	4,153,000	10,905,000	11,137,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Debt Service

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part X, Tobacco Settlement, includes a language provision that direct:

"Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco supported funding program accounts to other accounts of the General Fund."

The State/Executive Branch Budget Bill, Part X, Tobacco Settlement, provides \$17,842,700 in fiscal year 2006-2007 and \$17,847,400 in fiscal year 2007-2008 for debt service on previously authorized Bond Funded projects.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"New Debt Service: Included in the above General Fund appropriation is \$15,193,000 in fiscal year 2007-2008 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

"Tobacco Settlement Funds - Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund."

**Fiscal Biennium 2006-2008
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Debt Service

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces General Fund support totaling \$11,040,000 in fiscal year 2007-2008 for new debt service.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision change:

"New Debt Service: Included in the above General Fund appropriation is \$4,153,000 in fiscal year 2007-2008 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate adds in Part I, Operating Budget, increased General Fund support of \$6,752,000 in fiscal year 2007-2008 for new debt service.

The Senate modifies Part I, Operating Budget, language provision as follows:

" New Debt Service: Included in the above General Fund appropriation is \$10,905,000 in fiscal year 2007-2008 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following changes:

The Conference adds in Part I, Operating Budget, increased General Fund support of \$3,492,000 in fiscal year 2006-2007 and \$232,000 in fiscal year 2007-2008 for new debt service.

The Conference modifies a Part I, Operating Budget, language provision as follows:

Fiscal Biennium 2006-2008
Budget Modification Report

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Debt Service

" **New Debt Service:** Included in the above General Fund appropriation is \$3,492,000 in fiscal year 2006-2007 and \$11,137,000 in fiscal year 2007-2008 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

G - Finance and Administration Cabinet

Operating Budget

Facilities and Support Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	7,864,800	7,864,800	7,864,800	7,518,200	7,518,200	7,518,200	7,526,800	7,526,800	7,526,800
Restricted Funds	30,198,100	30,198,100	30,198,100	29,908,400	30,109,200	29,908,400	30,360,400	30,573,800	30,360,400
Regular Total Funds	38,062,900	38,062,900	38,062,900	37,426,600	37,627,400	37,426,600	37,887,200	38,100,600	37,887,200
Use of Continuing									
TOTAL FUNDS	38,062,900	38,062,900	38,062,900	37,426,600	37,627,400	37,426,600	37,887,200	38,100,600	37,887,200
II. EXPENDITURE CATEGORY									
Personnel Costs	19,824,900	19,824,900	19,824,900	19,845,000	20,045,800	19,845,000	20,318,900	20,532,300	20,318,900
Operating Expenses	16,029,000	16,029,000	16,029,000	15,614,700	15,614,700	15,614,700	16,568,900	16,568,900	16,568,900
Capital Outlay	509,000	509,000	509,000	466,900	466,900	466,900	466,900	466,900	466,900
Construction	1,700,000	1,700,000	1,700,000	1,500,000	1,500,000	1,500,000	532,500	532,500	532,500
TOTAL EXPENDITURES	38,062,900	38,062,900	38,062,900	37,426,600	37,627,400	37,426,600	37,887,200	38,100,600	37,887,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	7,864,800	7,864,800	7,864,800	7,518,200	7,518,200	7,518,200	7,526,800	7,526,800	7,526,800
Restricted Funds	30,198,100	30,198,100	30,198,100	29,733,400	29,733,400	29,733,400	28,939,000	28,939,000	28,939,000
Regular Total Funds	38,062,900	38,062,900	38,062,900	37,251,600	37,251,600	37,251,600	36,465,800	36,465,800	36,465,800
Use of Continuing									
TOTAL BASE LEVEL	38,062,900	38,062,900	38,062,900	37,251,600	37,251,600	37,251,600	36,465,800	36,465,800	36,465,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				175,000	375,800	175,000	1,421,400	1,634,800	1,421,400
TOTAL ADDITIONAL				175,000	375,800	175,000	1,421,400	1,634,800	1,421,400
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Facilities									
ABR7850001	Provide funds to fill 4 vacant positions.								
Restricted Funds					200,800			213,400	
Project Total					200,800			213,400	
2 EXPAN Facilities- Archibus									
ABR7850002	Provide funds to purchase new modules to the ARCHIBUS facilities management system.								
Restricted Funds				175,000	175,000	175,000	175,000	175,000	175,000
Project Total				175,000	175,000	175,000	175,000	175,000	175,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Facilities and Support Services

Fiscal Year 2005-2006				Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3 EXPAN Facilities- Frankfort SOB-ABR									
ABR7850004 Provide funds for 5 new staff and operating for State Office Bldg.									
Restricted Funds							1,122,600	1,122,600	1,122,600
Project Total							1,122,600	1,122,600	1,122,600
4 EXPAN Facilities- Jones Building-ABR									
ABR7850003 Provide funds for 3 new staff and operating for Jones Bldg.									
Restricted Funds							123,800	123,800	123,800
Project Total							123,800	123,800	123,800
TOTAL ADDITIONAL				175,000	375,800	175,000	1,421,400	1,634,800	1,421,400

TRANSFERS TO THE GENERAL FUND

Facilities and Support Services

Agency Revenue Fund	232,500	232,500	232,500	200,800		200,800	583,400	370,000	583,400
TOTAL	232,500	232,500	232,500	200,800		200,800	583,400	370,000	583,400

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Facilities and Support Services

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Facilities Services, Restricted Funds of \$232,500 in fiscal year 2005-2006, the Capital Construction and Equipment Purchase Contingency Fund of \$2,000,000 in fiscal year 2006-2007, and the Capital Construction Investment Income Account of \$5,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides Restricted Funds of \$200,800 in fiscal year 2006-2007 and \$213,400 in fiscal year 2007-2008 to fill five (5) vacant positions; \$175,000 in each fiscal year to purchase upgrades to the ARCHIBUS facility management system; \$1,122,600 in fiscal year 2007-2008 for five (5) new maintenance positions and operating expenses associated with the newly renovated state office building, and \$123,800 for three (3) new maintenance positions and operating expenses associated with the newly renovated Jones Building.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Statewide Repair, Maintenance, and Replacement Pool Fund: Included in the above Statewide Repair, Maintenance and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2006-2007:

- (a) Facilities and Support Services Maintenance Pool, \$3,750,000;
- (b) Parks, Maintenance Pool, \$1,250,000;

Included in the Statewide Repair, Maintenance and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2007-2008:

- (a) Facilities and Support Services Maintenance Pool, \$3,750,000;
- (b) Justice and Public Safety Cabinet, Corrections Management, Maintenance Pool, \$1,250,000."

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Facilities and Support Services

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide Restricted Funds totaling \$200,800 in fiscal year 2006-2007 and \$213,400 in fiscal year 2007-2008 to fill Four (4) vacant positions.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Capital Construction Contingency Fund: If funds in the Capital Construction Contingency Fund are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

"Emergency Repair, Maintenance, and Replacement Fund: If funds in the Emergency Repair, Maintenance, and Replacement Fund are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

"Planning Assistance to Frankfort YMCA: The Department for Facilities and Support Services shall prepare the detailed plans and specifications for the expansion and renovation of the downtown Frankfort YMCA facility in cooperation with the Board of Directors of the Frankfort YMCA."

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfer, to include \$200,800 in fiscal year 2006-2007 and \$583,400 in fiscal year 2007-2008 from the Agency Restricted Funds, an additional \$1,200,000 in fiscal year 2006-2007 and \$330,000 in fiscal year 2007-2008 from the Capital Construction Investment Income Account, \$332,000 in fiscal year 2006-2007 from the Statewide Deferred Maintenance Fund, and \$1,000,000 in fiscal year 2006-2007 from the Capital Construction Emergency Repair and Maintenance Fund.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include additional Bond Funds of \$901,000 in fiscal year 2006-2007 for the Renovate Ky State Office Building - Phase 3 Capital Project.

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Facilities and Support Services

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include the full project funding of \$10,000,000 in fiscal year 2006-2007, for the Statewide Repair, Maintenance and Replacement project, rather than dividing the funding evenly in each fiscal year.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, and deletes the Improve Site Infrastructure - KY Capitol Complex project.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, and reducing Investment Income funding by \$400,000 in fiscal year 2006-2007 for the Governor's Mansion HVAC and Window Replacement project.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate adds in Part I, Operating Budget, increased Restricted Funds support of \$200,800 in fiscal year 2006-2007 and \$213,400 in fiscal year 2007-2008 for 4 additional staff.

The Senate deletes a Part I, Operating Budget, language provision related to "Planning Assistance to Frankfort YMCA".

The Senate amends Part II, Capital Budget, by not providing funding for the "Capital Plaza Complex - Renovation & Design" project.

The Senate amends Part V, Fund Transfer, by reducing Agency Revenue Fund transfer by \$200,800 in fiscal year 2006-2007 and \$213,400 in fiscal year 2007-2008; Capital Construction Investment Income transfer by \$1,200,000 in fiscal year 2006-2007 and \$330,000 in fiscal year 2007-2008; Statewide Deferred Maintenance Fund transfer by \$332,000 in fiscal year 2006-2007; and Capital Construction Emergency Repair and Maintenance Fund transfer by \$1,000,000 in fiscal year 2006-2007.

CONFERENCE REPORT

The Conference concurs with the House with the following change:

The Conference does not provide the Part I, Operating Budget, language provision related to "Planning Assistance to the Frankfort YMCA".

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G - Finance and Administration Cabinet

Capital Budget

Facilities and Support Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				28,542,000	23,600,000	28,542,000			
Capital Construction Surplus				903,000	903,000	903,000	904,000	904,000	904,000
Investment Income				90,000	90,000	90,000			
Other Funds									
TOTAL CAPITAL				29,535,000	24,593,000	29,535,000	904,000	904,000	904,000

II. CAPITAL PROJECTS

1 Renovate Ky State Office Building-Phase 3

PRJ7851519

Bond Funds	13,600,000	13,600,000	13,600,000
Project Total	13,600,000	13,600,000	13,600,000

2 Statewide Repair, Maintenance and Replacement

PRJ7851524

Bond Funds	10,000,000	10,000,000	10,000,000
Project Total	10,000,000	10,000,000	10,000,000

3 Capital Plaza Complex- Renovation & Design

PRJ7851521

Bond Funds	4,942,000	4,942,000
Project Total	4,942,000	4,942,000

4 Acquire Land/Demolish Bldgs.-Statewide

PRJ7851517

Capital Construction Surplus	903,000	903,000	903,000	904,000	904,000	904,000
Project Total	903,000	903,000	903,000	904,000	904,000	904,000

5 Governor's Mansion HVAC and Window Replacement

PRJ7851525

Investment Income	90,000	90,000	90,000
Project Total	90,000	90,000	90,000

6 Guaranteed Energy Performance Projects Pool

PRJ7851520

Other Funds	\$ 78,900
Project Total	\$ 1,067,900

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY**G - Finance and Administration Cabinet****Capital Budget****Facilities and Support Services**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL CAPITAL				29,535,000	24,593,000	29,535,000	904,000	904,000	904,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

County Costs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	18,681,500	18,681,500	18,681,500	19,181,500	19,181,500	19,181,500	20,481,500	20,481,500	20,481,500
Restricted Funds	1,925,000	1,925,000	1,925,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000
Regular Total Funds	20,606,500	20,606,500	20,606,500	21,131,500	21,131,500	21,131,500	22,431,500	22,431,500	22,431,500
Use of Continuing									
TOTAL FUNDS	20,606,500	20,606,500	20,606,500	21,131,500	21,131,500	21,131,500	22,431,500	22,431,500	22,431,500
II. EXPENDITURE CATEGORY									
Personnel Costs	1,650,000	1,650,000	1,650,000	1,675,000	1,675,000	1,675,000	1,675,000	1,675,000	1,675,000
Operating Expenses	14,631,500	14,631,500	14,631,500	15,131,500	15,131,500	15,131,500	16,431,500	16,431,500	16,431,500
Grants, Loans, Benefits	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000
TOTAL EXPENDITURES	20,606,500	20,606,500	20,606,500	21,131,500	21,131,500	21,131,500	22,431,500	22,431,500	22,431,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	18,681,500	18,681,500	18,681,500	18,681,500	18,681,500	18,681,500	18,681,500	18,681,500	18,681,500
Restricted Funds	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000
Regular Total Funds	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500
Use of Continuing									
TOTAL BASE LEVEL	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500	20,606,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				500,000	500,000	500,000	1,800,000	1,800,000	1,800,000
Restricted Funds				25,000	25,000	25,000	25,000	25,000	25,000
TOTAL ADDITIONAL				525,000	525,000	525,000	1,825,000	1,825,000	1,825,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN County Costs- Public Defender Additional County Distribution									
ABR7590001 Provide additional funds for the Public Defender program									
Restricted Funds				25,000	25,000	25,000	25,000	25,000	25,000
Project Total				25,000	25,000	25,000	25,000	25,000	25,000
2 EXPAN County Costs- Sheriffs Fees									
ABR7590002 Provide additional appropriation for the anticipated rising expense of the Sheriffs Fee program.									
General Fund				500,000	500,000	500,000	1,800,000	1,800,000	1,800,000
Project Total				500,000	500,000	500,000	1,800,000	1,800,000	1,800,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY**G - Finance and Administration Cabinet****Operating Budget****County Costs**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL				525,000	525,000	525,000	1,825,000	1,825,000	1,825,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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County Costs

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"County Costs: Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional Restricted Funds of \$25,000 in each fiscal year for the Public Defender program and additional General Fund appropriation of \$500,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-2008 for the Sheriff's Fees.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides expenditures by program for the County Cost appropriations unit as follows:

<u>Program</u>	<u>Fiscal Year 2006-2007</u>	<u>Fiscal Year 2007-2008</u>
Public Defender Program	\$ 1,625,000	\$ 1,625,000
Witnesses	160,000	160,000
DUI Services	1,425,000	1,425,000
Sheriff's Fees	9,334,000	10,634,000
County Clerks to Make Tax Bills	320,000	320,000
Board of Assessment Appeals	60,000	60,000
Fugitive from Justice	1,200,000	1,200,000
Jury Fund	3,600,000	3,600,000
Sheriff's Expense Allowance	500,000	500,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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County Costs

Premium on Sheriff's Bonds	7,500	7,500
Access to Justice	<u>2,900,000</u>	<u>2,900,000</u>
Total	\$21,131,500	\$22,431,500

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Commonwealth Office of Technology

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	58,196,500	58,196,500	58,196,500	61,168,500	61,168,500	61,168,500	62,962,400	62,962,400	62,962,400
Federal Funds	2,537,000	2,537,000	2,537,000	863,100	863,100	863,100	775,000	775,000	775,000
Road Fund	125,000	125,000	125,000						
Regular Total Funds	60,858,500	60,858,500	60,858,500	62,031,600	62,031,600	62,031,600	63,737,400	63,737,400	63,737,400
Use of Continuing									
TOTAL FUNDS	60,858,500	60,858,500	60,858,500	62,031,600	62,031,600	62,031,600	63,737,400	63,737,400	63,737,400
II. EXPENDITURE CATEGORY									
Personnel Costs	31,112,600	31,112,600	31,112,600	32,867,700	32,867,700	32,867,700	33,658,300	33,658,300	33,658,300
Operating Expenses	23,120,200	23,120,200	23,120,200	23,245,800	23,245,800	23,245,800	23,249,100	23,249,100	23,249,100
Grants, Loans, Benefits	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital Outlay	3,205,700	3,205,700	3,205,700	1,531,800	1,531,800	1,531,800	1,443,700	1,443,700	1,443,700
Construction	3,400,000	3,400,000	3,400,000	4,366,300	4,366,300	4,366,300	5,366,300	5,366,300	5,366,300
TOTAL EXPENDITURES	60,858,500	60,858,500	60,858,500	62,031,600	62,031,600	62,031,600	63,737,400	63,737,400	63,737,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	58,196,500	58,196,500	58,196,500	56,268,500	56,268,500	56,268,500	57,053,400	57,053,400	57,053,400
Federal Funds	2,537,000	2,537,000	2,537,000	863,100	863,100	863,100	775,000	775,000	775,000
Road Fund	125,000	125,000	125,000						
Regular Total Funds	60,858,500	60,858,500	60,858,500	57,131,600	57,131,600	57,131,600	57,828,400	57,828,400	57,828,400
Use of Continuing									
TOTAL BASE LEVEL	60,858,500	60,858,500	60,858,500	57,131,600	57,131,600	57,131,600	57,828,400	57,828,400	57,828,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				4,900,000	4,900,000	4,900,000	5,909,000	5,909,000	5,909,000
TOTAL ADDITIONAL				4,900,000	4,900,000	4,900,000	5,909,000	5,909,000	5,909,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN COT									
ABR0790001 Provide funding to fill 15 vacant positions.									
Restricted Funds				900,000	900,000	900,000	909,000	909,000	909,000
Project Total				900,000	900,000	900,000	909,000	909,000	909,000
2 EXPAN COT- Transfer Restricted funds to Capital Budget									
ABR0790004 Provide Restricted funds to support the agencies Capital Budget.									
Restricted Funds				4,000,000	4,000,000	4,000,000	5,000,000	5,000,000	5,000,000
Project Total				4,000,000	4,000,000	4,000,000	5,000,000	5,000,000	5,000,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Commonwealth Office of Technology

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL				4,900,000	4,900,000	4,900,000	5,909,000	5,909,000	5,909,000

TRANSFERS TO THE GENERAL FUND

Commonwealth Office of Technology

Agency Revenue Fund							1,000,000	1,000,000	1,000,000
TOTAL							1,000,000	1,000,000	1,000,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Commonwealth Office of Technology

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides Restricted Funds in the amount of \$900,000 in fiscal year 2006-2007 and \$909,000 in fiscal year 2007-2008 to fill fifteen (15) vacancies and \$4,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008 for a transfer from the Operating Budget to support the agency's Capital Budget.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Transfer of Restricted Funds from Operating Budget: For the major equipment purchases displayed in this section funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes nine (9) projects that are reauthorization of projects from previous biennia. Total of reauthorization projects is \$15,160,000 Restricted Funds and \$300,000 Federal Funds.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

"Reporting Requirements: The Commonwealth Office of Technology shall report semiannually to the Interim Joint Committee on Appropriations and Revenue the number of sole-source contracts, amounts awarded for sole-source contracts, and the purposes of the sole-source contracts; and the number of contract employees, the amount expended for contract employees, the projects contract employees worked on, and a justification why state merit employees were not used."

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Commonwealth Office of Technology

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to include \$1,000,000 in fiscal year 2007-2008, from Agency Restricted Funds.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include additional Bond Funds of \$83,000 in fiscal year 2006-2007 for the Data Center Readiness project.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate deletes a Part I, Operating Budget, language provision relating to "Reporting Requirements".

CONFERENCE REPORT

The Conference concurs with the House.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Commonwealth Office of Technology

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				4,200,001	4,200,001	4,200,001	3,800,000	3,800,000	3,800,000
Federal Funds				16,166,000	16,166,000	16,166,000			
Bond Funds				14,400,000	14,400,000	14,400,000			
Investment Income									
TOTAL CAPITAL				34,766,001	34,766,001	34,766,001	3,800,000	3,800,000	3,800,000
II. CAPITAL PROJECTS									
1	Update the Public Safety Comm. Infrastructure System - KEWS								
PRJ0791359									
Federal Funds				16,166,000	16,166,000	16,166,000			
Bond Funds				13,000,000	13,000,000	13,000,000			
Project Total				29,166,000	29,166,000	29,166,000			
2	Data Center Readiness								
PRJ0791349									
Bond Funds				1,400,000	1,400,000	1,400,000			
Project Total				1,400,000	1,400,000	1,400,000			
3	KY Information Highway 06-08								
PRJ0791350									
Restricted Funds				1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000
Project Total				1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000
4	Enterprise Applications Upgrade								
PRJ0791353									
Restricted Funds				500,000	500,000	500,000	500,000	500,000	500,000
Project Total				500,000	500,000	500,000	500,000	500,000	500,000
5	Enterprise Server (z/OS) Upgrade/Replacement								
PRJ0791357									
Restricted Funds				800,000	800,000	800,000	400,000	400,000	400,000
Project Total				800,000	800,000	800,000	400,000	400,000	400,000

G - Finance and Administration Cabinet

Capital Budget

Commonwealth Office of Technology

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
6	Statewide Digital Orthoimagery Basemap Update 06-08							
PRJ0791358								
Restricted Funds			500,000	500,000	500,000	500,000	500,000	500,000
Project Total			500,000	500,000	500,000	500,000	500,000	500,000
7	Enterprise Project Management Information System							
PRJ0791368								
Restricted Funds			425,000	425,000	425,000	425,000	425,000	425,000
Project Total			425,000	425,000	425,000	425,000	425,000	425,000
8	KIH Upgrade Expansion 00 (reauthorization)							
PRJ0792582								
Restricted Funds								
Project Total								
9	Enterprise Server Upgrade Phase I 00 (reauthorization)							
PRJ0792583								
Restricted Funds								
Project Total								
10	Statewide Microwave Network Maint 00 (reauthorization)							
PRJ0792584								
Investment Income								
Project Total								
11	Enterprise Server Upgrade Phase II 00 (reauthorization)							
PRJ0792585								
Restricted Funds								
Project Total								
12	Unified Criminal Justice Info Sys 00 (reauthorization)							
PRJ0792586								
Restricted Funds								
Project Total								
13	Disaster Recovery Phases I & II 04 (reauthorization)							
PRJ0792587								
Restricted Funds								
Project Total								

G - Finance and Administration Cabinet

Capital Budget

Commonwealth Office of Technology

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
<div>14Enterprise Infrastructure Security 04 (reauthorization)</div> <div>PRJ0792588</div> <div>Restricted Funds</div> <div>Project Total</div>								
<div>15KY Info Highway Upgrade Exp 04 (reauthorization)</div> <div>PRJ0792589</div> <div>Restricted Funds</div> <div>Project Total</div>								
<div>16Enterprise Messaging 04 (reauthorization)</div> <div>PRJ0792590</div> <div>Restricted Funds</div> <div>Project Total</div>								
<div>17Statewide Digital Orthoimagery 04 (reauthorization)</div> <div>PRJ0792591</div> <div>Federal Funds</div> <div>Project Total</div>								
<div>18Enterprise Unix Server Cons 04 (reauthorization)</div> <div>PRJ0792592</div> <div>Restricted Funds</div> <div>Project Total</div>								
<div>19Enterprise Server Complex Upgrade 04 (reauthorization)</div> <div>PRJ0792594</div> <div>Restricted Funds</div> <div>Project Total</div>								
<div>20Enterprise Storage Solution 04 (reauthorization)</div> <div>PRJ0792595</div> <div>Restricted Funds</div> <div>Project Total</div>								
<div>21Disk Storage Upgrade 04 (reauthorization)</div> <div>PRJ0792596</div> <div>Restricted Funds</div> <div>Project Total</div>								

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Commonwealth Office of Technology

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
22 COT 100 Fair Oaks Lease								
PRJ0792580								
Restricted Funds								
Project Total								
23 COT - Printing Genesco Bldg Warehouse Lease								
PRJ0792581								
Restricted Funds								
Project Total								
TOTAL CAPITAL			34,766,001	34,766,001	34,766,001	3,800,000	3,800,000	3,800,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Revenue

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	163,100	163,100	163,100	175,000	175,000	175,000	175,000	175,000	175,000
General Fund	61,435,900	61,435,900	61,435,900	72,112,000	72,112,000	71,880,000	73,466,300	73,466,300	73,234,300
Restricted Funds	4,517,900	4,517,900	4,517,900	4,381,500	4,381,500	4,381,500	4,378,600	4,378,600	4,378,600
Road Fund	1,418,000	1,418,000	1,418,000	1,768,000	1,768,000	2,000,000	1,768,000	1,768,000	2,000,000
Regular Total Funds	67,534,900	67,534,900	67,534,900	78,436,500	78,436,500	78,436,500	79,787,900	79,787,900	79,787,900
Use of Continuing									
TOTAL FUNDS	67,534,900	67,534,900	67,534,900	78,436,500	78,436,500	78,436,500	79,787,900	79,787,900	79,787,900
II. EXPENDITURE CATEGORY									
Personnel Costs	43,364,600	43,364,600	43,364,600	49,622,400	49,622,400	49,622,400	51,558,800	51,558,800	51,558,800
Operating Expenses	24,170,300	24,170,300	24,170,300	28,814,100	28,814,100	28,814,100	28,229,100	28,229,100	28,229,100
TOTAL EXPENDITURES	67,534,900	67,534,900	67,534,900	78,436,500	78,436,500	78,436,500	79,787,900	79,787,900	79,787,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	163,100	163,100	163,100	175,000	175,000	175,000	175,000	175,000	175,000
General Fund	61,435,900	61,435,900	61,435,900	63,435,900	63,435,900	63,203,900	64,338,400	64,338,400	64,106,400
Restricted Funds	4,517,900	4,517,900	4,517,900	4,150,200	4,150,200	4,150,200	4,135,300	4,135,300	4,135,300
Road Fund	1,418,000	1,418,000	1,418,000	1,768,000	1,768,000	2,000,000	1,768,000	1,768,000	2,000,000
Regular Total Funds	67,534,900	67,534,900	67,534,900	69,529,100	69,529,100	69,529,100	70,416,700	70,416,700	70,416,700
Use of Continuing									
TOTAL BASE LEVEL	67,534,900	67,534,900	67,534,900	69,529,100	69,529,100	69,529,100	70,416,700	70,416,700	70,416,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				8,676,100	8,676,100	8,676,100	9,127,900	9,127,900	9,127,900
Restricted Funds				231,300	231,300	231,300	243,300	243,300	243,300
TOTAL ADDITIONAL				8,907,400	8,907,400	8,907,400	9,371,200	9,371,200	9,371,200
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Revenue									
ABRC30A0001 Provide funding for 11 vacant positions.									
General Fund				200,100	200,100	200,100	210,000	210,000	210,000
Restricted Funds				231,300	231,300	231,300	243,300	243,300	243,300
Project Total				431,400	431,400	431,400	453,300	453,300	453,300

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Revenue		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	NEW	Enhanced Revenue Collection Effort								
ABRC30A0009		Provide additional General Fund for 139 additional staff and operating funds.								
General Fund					8,476,000	8,476,000	8,476,000	8,917,900	8,917,900	8,917,900
Project Total					8,476,000	8,476,000	8,476,000	8,917,900	8,917,900	8,917,900
TOTAL ADDITIONAL					8,907,400	8,907,400	8,907,400	9,371,200	9,371,200	9,371,200

TRANSFERS TO THE GENERAL FUND

Revenue				
Agency Revenue Fund		1,000,000	1,000,000	1,000,000
TOTAL		1,000,000	1,000,000	1,000,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Revenue

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Department of Revenue, Restricted Funds of \$1,000,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, provides \$175,000 each fiscal year for the enforcement of the cigarette tax stamps.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Insurance Surcharge Rate: Pursuant to KRS 136.392, the insurance surcharge rate shall be calculated at a rate to provide sufficient funds in the 2006-2008 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law Enforcement Foundation Program Fund. The calculation of sufficient funds for the above-named programs shall include any Restricted Funds carried forward from fiscal years 2005-2006 and 2006-2007 provided by the General Assembly in this Act."

"Road Fund Compliance and Motor Vehicle Property Tax Programs: The above Road Fund appropriation in each fiscal year represents the cost of the Road Fund Compliance and Motor Vehicle Property Tax Programs within the Department of Revenue and is to be used exclusively for that purpose."

"Operations of Revenue: Notwithstanding KRS 132.672 and 365.390(2), funds may be expended in support of the operations of the Department of Revenue."

The State/Executive Branch Budget, Part I, Operating Budget provides General Fund of \$200,100 in fiscal year 2006-2007 and \$210,000 in fiscal year 2007-2008, and Restricted Funds of \$231,300 in fiscal year 2006-2007 and \$243,300 in fiscal year 2007-2008 to fill eleven (11) vacant positions.

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Revenue

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides General Fund support totaling \$8,476,000 in fiscal year 2006-2007 and \$8,917,900 in fiscal year 2007-2008 for the Enhanced Revenue Collection Effort.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

"Debt Collection Fee Distribution: Notwithstanding KRS 45.238(3), 45.240(3) and 45.241(7)(b), the Secretary of the Finance and Administration Cabinet may determine, on an equitable basis, that all or a portion of any debt or improper payment recovered by the Department of Revenue pursuant to the provisions of KRS 45.237, 45.238 and 45.241 may be returned to the agency certifying the debt or improper payment or to the Court of Justice for allocation as otherwise provided by law. The Department of Revenue may promulgate an administrative regulation pursuant to KRS Chapter 13A to establish criteria to administer the provisions of this section."

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following change:

The Conference provides additional Road Fund support of \$232,000 in each fiscal year and reduces General Fund support by the same amount each fiscal year.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Revenue

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund									
Federal Funds				1,250,000	1,250,000	1,250,000			
Road Fund				1,250,000	1,250,000	1,250,000			
Bond Funds				23,250,000	23,250,000	23,250,000			
TOTAL CAPITAL				25,750,000	25,750,000	25,750,000			
II. CAPITAL PROJECTS									
1 Implement a Comprehensive Tax System - Phase I									
PRJC30A1337									
Bond Funds				23,250,000	23,250,000	23,250,000			
Project Total				23,250,000	23,250,000	23,250,000			
2 Motor Fuels Tax Automation									
PRJC30A1338									
Federal Funds				1,250,000	1,250,000	1,250,000			
Road Fund				1,250,000	1,250,000	1,250,000			
Project Total				2,500,000	2,500,000	2,500,000			
3 Franklin County- Lease 100 Fair Oaks									
PRJC30A2570									
General Fund									
Project Total									
4 Franklin County- Lease Perimeter Park West									
PRJC30A2568									
General Fund									
Project Total									
5 Franklin County- Lease 200 Fair Oaks									
PRJC30A2569									
General Fund									
Project Total									
TOTAL CAPITAL				25,750,000	25,750,000	25,750,000			

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Property Valuation Administrators

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	31,769,300	31,769,300	31,769,300	32,519,300	32,769,300	32,769,300	33,019,300	33,399,300	33,399,300
Restricted Funds	3,510,000	3,510,000	3,510,000	4,319,400	4,319,400	4,319,400	4,319,400	4,319,400	4,319,400
Regular Total Funds	35,279,300	35,279,300	35,279,300	36,838,700	37,088,700	37,088,700	37,338,700	37,718,700	37,718,700
Use of Continuing									
TOTAL FUNDS	35,279,300	35,279,300	35,279,300	36,838,700	37,088,700	37,088,700	37,338,700	37,718,700	37,718,700
II. EXPENDITURE CATEGORY									
Personnel Costs	34,847,300	34,847,300	34,847,300	36,406,700	36,656,700	36,656,700	36,906,700	37,286,700	37,286,700
Operating Expenses	432,000	432,000	432,000	432,000	432,000	432,000	432,000	432,000	432,000
TOTAL EXPENDITURES	35,279,300	35,279,300	35,279,300	36,838,700	37,088,700	37,088,700	37,338,700	37,718,700	37,718,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	31,769,300	31,769,300	31,769,300	31,769,300	31,769,300	31,769,300	31,769,300	31,769,300	31,769,300
Restricted Funds	3,510,000	3,510,000	3,510,000	3,510,000	3,510,000	3,510,000	3,510,000	3,510,000	3,510,000
Regular Total Funds	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300
Use of Continuing									
TOTAL BASE LEVEL	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300	35,279,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				750,000	1,000,000	1,000,000	1,250,000	1,630,000	1,630,000
Restricted Funds				809,400	809,400	809,400	809,400	809,400	809,400
TOTAL ADDITIONAL				1,559,400	1,809,400	1,809,400	2,059,400	2,439,400	2,439,400
V. ADDITIONAL BUDGET ITEMS									
1	EXPAN Property Valuation Administrators								
ABRC30B0001	Provide additional funding for the PVAs.								
General Fund				750,000	1,000,000	1,000,000	1,250,000	1,630,000	1,630,000
Restricted Funds				809,400	809,400	809,400	809,400	809,400	809,400
Project Total				1,559,400	1,809,400	1,809,400	2,059,400	2,439,400	2,439,400
TOTAL ADDITIONAL				1,559,400	1,809,400	1,809,400	2,059,400	2,439,400	2,439,400

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Property Valuation Administrators

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Management of Expenditures: Notwithstanding KRS 132.590 and 132.597, the property valuation administrators are authorized to take necessary actions to manage expenditures within the appropriated amounts contained in this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional Restricted Fund appropriation of \$809,400 in each fiscal year for the Property Valuation Administrators.

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides additional General Fund support totaling \$750,000 in fiscal year 2006-2007 and \$1,250,000 in fiscal year 2007-2008 for additional funding for the Property Valuation Administrators.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate provides additional General Fund support totaling \$250,000 in fiscal year 2006-2007 and \$380,000 in fiscal year 2007-2008 for additional funding for the Property Valuation Administrators.

CONFERENCE REPORT

The Conference concurs with the Senate.

Fiscal Biennium 2006-2008
Budget Modification Report

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KY Lottery Corporation

BRANCH BUDGET

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes five (5) projects for authorization by the 2006 General Assembly.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Kentucky Lottery Corporation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Other Funds				20,750,000	20,750,000	20,750,000	3,000,000	3,000,000	3,000,000
TOTAL CAPITAL				20,750,000	20,750,000	20,750,000	3,000,000	3,000,000	3,000,000
II. CAPITAL PROJECTS									
1	Potential Buyout of On-line Gaming System								
PRJ0811502									
Other Funds				12,250,000	12,250,000	12,250,000			
Project Total				12,250,000	12,250,000	12,250,000			
2	Purchase of Data Processing, Telecomm, and related equipment								
PRJ0811500									
Other Funds				3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Project Total				3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
3	iSeries System Upgrades								
PRJ0811501									
Other Funds				1,000,000	1,000,000	1,000,000			
Project Total				1,000,000	1,000,000	1,000,000			
4	Network Storage and Associated Infrastructure								
PRJ0811498									
Other Funds				500,000	500,000	500,000			
Project Total				500,000	500,000	500,000			
5	Contingency purchase of property adjacent to new headqtrs								
PRJ0811499									
Other Funds				4,000,000	4,000,000	4,000,000			
Project Total				4,000,000	4,000,000	4,000,000			
TOTAL CAPITAL				20,750,000	20,750,000	20,750,000	3,000,000	3,000,000	3,000,000

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Finance and Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TRANSFERS TO THE GENERAL FUND									
Finance and Administration									
Capital Construction and Equipment Purchase Contingency Fund				2,000,000	2,000,000	2,000,000			
Capital Construction Investment Income				6,200,000	5,000,000	6,200,000	5,330,000	5,000,000	5,330,000
Statewide Deferred Maintenance Fund				332,000		332,000			
Capital Construction Emergency Repair and Maintenance Fund				1,000,000		1,000,000			
TOTAL				9,532,000	7,000,000	9,532,000	5,330,000	5,000,000	5,330,000

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